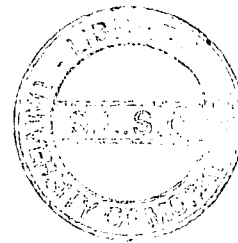
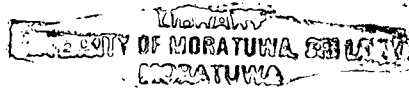


# **COST BENEFIT ANALYSIS OF COMPOSTING PRACTICES IN WESTERN PROVINCE OF SRI LANKA**

By



**R. A. Asha Dilshani Gunawardena**



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University of Moratuwa



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Department of Management of Technology

University of Moratuwa

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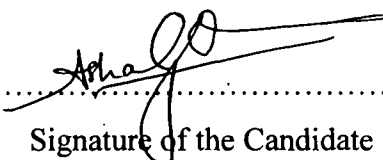
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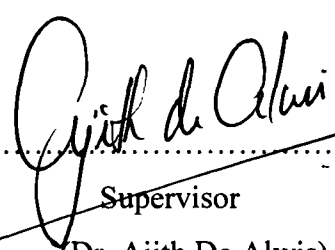
  
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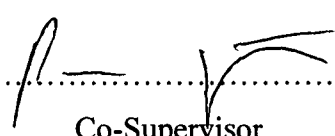
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## ABSTRACT

Management of solid waste is a growing problem in Sri Lanka. At present the crucial problem faced by Local Authorities (LAs) is not merely the increase of waste generation rate but also the haphazard disposal practices. Open dumping of solid waste has been the most common disposal practice in Sri Lanka, which is associated with the highest environmental, health and social costs compared to improved disposal methods. The analysis of data on waste stream of Sri Lanka reveals that over 80% -- a largest fraction of domestic and commercial solid waste is organic and biodegradable--suitable for compost production. In addition, the climatic conditions of the country optimum for composting practices. Moreover, compost could be used in improving the productivity of agricultural lands as the major proportion (44%) of agricultural lands in Sri Lanka faces the problem of low productivity due to soil erosion.

This study attempts to understand the economics of composting practices in the Western Province of Sri Lanka, whether composting in Sri Lanka is cost effective in the financial and social framework. Specific objectives are (1) Review financial and economic viability of organic solid waste management in Sri Lanka with special emphasis on composting practices. (2) Analyze the role of economic instruments making composting economically viable

The study collects data from compost plants recently operated and currently operating in Western Province of Sri Lanka. In addition, it collects data from a sample of local authorities and also other various stakeholders of compost facilities such as compost sellers and buyers and professionals. Financial Cost benefit Analysis is carried out for each compost plant and this is followed by the concepts of Social Cost Benefit Analysis.

Findings of the study reveal that the composting practices in Sri Lanka are not financially viable--the financial benefits currently gained from composting are less than the costs incurred--. The study emphasizing the need to view composting as a system element of an Integrated Sustainable Waste Management framework. This study argues that the gap between cost and benefits of composting should be compensated by the local authorities

since properly controlled composting helps to minimize the social cost involved in poor solid waste management services such as open dumping. The findings also emphasize the need for changing the allocation of solid waste budgets of local authorities in such a way to allocate considerable proportion for safe waste disposal rather than spending the entire resources on waste collection and transportation. The study also discusses some economic instruments which can be used for revenue generation and cost recovery by local authorities related to the solid waste management.

The study further points out that composting facilities should not rely on compensation paid by local authorities and should develop a sustainable market for their compost products which is essential for their long-term survival.

The findings also reveal that the centralized large scale compost facility shows higher cost benefit ratio compared to decentralized composting practices due to many reasons. In addition, study suggests some economic instruments, which can be used to improve the viability of composting practices and also to address the current waste disposal problems socially, economically and in an environmentally sound manner.

## ABBREVIATIONS

SWM	Solid Waste Management
JICA	Japan International Cooperation Agency
LA	Local Authorities
ISWM	Integrated Sustainable Waste Management
ADB	Asian Development Bank
CMC	Colombo Municipal Council
MC	Municipal Council
UC	Urban Council
PS	Pradesheeya Sabha
BETL	Burns Environmental Technology Private Ltd
CBOs	Community Based Organizations
PET	Polyethylene Terephthalate
PVC	Polyvinyl Chloride
CEA	Central Environment Authority
NEA	National Environmental Act
EIA	Environmental Impact Assessment
IEE	Initial Environmental Examination
SLSI	Sri Lanka Standard Institution
EM	Effective Micro organisms
MEIP	Metropolitan Environmental Improvement Program



# TABLE OF CONTENTS

	<b>CHAPTER ONE</b>	1
1	<b>Introduction</b>	1-3
1.1	Solid Waste Management Issues in Sri Lanka	4
1.2	Applicability of Composting in Sri Lankan Context	5
1.3	Research Problem	6
1.4	Research Objectives	7
	<b>CHAPTER TWO</b>	8
2	<b>Solid Waste Management in Sri Lanka</b>	8
2.1	Current Situation in SWM Practices	8
2.1.1	Waste Generation and Collection	8
2.1.2	Waste Composition	10
2.1.3	Waste Disposal Practices	11
2.1.4	Waste Recovery and Recycling	12
2.1.4.1	Recycling practices	12
2.1.4.2	Recent initiatives – Source Separation Program	13
2.2	Current Policy and Legislative Framework	14
2.2.1	Current Policy Framework	14
2.2.2	Current Legislative Framework	14
2.3	Role of Local Authorities in Providing SWM Services	15
2.3.1	Role of Local Authorities in the provision of SWM Services	15
	<b>CHAPTER THREE</b>	16
3	<b>Literature Review</b>	16
3.1	Private cost and Social Cost	16
3.2	Public Goods and Externalities	17
3.3	Policy instruments in Solid Waste Management	19
3.3.1	Voluntary Agreements	19
3.3.2	Command and Control Method	19
3.3.3	Economic Instruments	20





3.3.3.1	Revenue Raising Instruments	21
3.3.3.1.1	Charges	21
3.3.3.1.1.1	<i>Waste generation charges/ /Variable rate user chargers/ unit pricing</i>	21
3.3.3.1.1.2	<i>Waste User Chargers</i>	21
3.3.3.1.1.3	<i>Waste Tipping Charges</i>	22
3.3.3.1.1.4	<i>Product Charges</i>	22
3.3.3.1.1.5	<i>Waste Treatment/Disposal Taxes</i>	22
3.3.3.1.1.6	<i>Landfill Tax</i>	23
3.3.3.1.1.7	<i>Eco- tax</i>	23
3.3.3.1.1.8	<i>Subsidy Elimination/Reduction</i>	23
3.3.3.2	Revenue providing instruments	24
3.3.3.2.1	<i>Credit Subsidy</i>	24
3.3.3.2.2	<i>Environmentally Relevant Tax Allowances &amp; Exemptions and Tax Reductions</i>	24
3.3.3.2.3	<i>Development Rights</i>	24
3.3.3.2.4	<i>Long-Term Use of Government Land/Facilities or Leasing or Government Equipment</i>	24
3.3.3.2.5	<i>Fiscal Incentives for Industry</i>	24
3.3.3.2.6	<i>Environmental Funds</i>	25
3.3.3.2.7	<i>Carbon Fund</i>	25
3.3.3.2.8	<i>Recycling Fund</i>	25
3.3.3.2.9	<i>Research Grants</i>	25
3.3.3.3	Non-Revenue instruments	25
3.3.3.3.1	<i>Procurement Policies and Private Sector Involvement</i>	25
3.3.3.3.2	<i>Performance Based Management Contracts</i>	26
3.3.3.3.3	<i>Cost Based Accounting and Transparent Management Information System</i>	26
3.3.3.3.4	<i>Deposit Refund System</i>	26
3.3.3.3.5	<i>Take Back Systems</i>	26
3.3.3.3.6	<i>Product Stewardship</i>	26
3.4	Integrated Sustainable Waste Management –Why it is important?	27
3.4.1	“Waste” in the Context of ISWM	27
3.4.2	The Concept of ISWM	27
3.4.3	Waste Management Hierarchy	29
3.4.4	Composting in the Context of ISWM	30

## CHAPTER FOUR

4	<b>Methodology</b>	31
4.1	Data Collection	31
4.1.1	Data Collection from Compost Plants	32
4.1.2	Data Collection form Local Authorities	33
4.2	Data Analysis	34
4.2.1	Cost Benefit Analysis (CBA)	34
4.2.2.1.	Open Dumping	35
4.2.2.2.	Composting Option	36

## CHAPTER FIVE 40

5	Analysis of Findings	40
5.1	Data analysis of Compost Plants	40
5.1.1	Contextual Information of Compost Plants	40
5.1.2	Cost Benefit Analysis	44
5.1.2.1	Colombo Compost Plant	44
5.1.2.1.2	<i>Economic Viability of Colombo Compost Plant</i>	46
5.1.2.2	Kalutara Compost Plant	
5.1.2.2.1	<i>Financial Cost Benefit Analysis of Kalutara Compost Plant</i>	47
5.1.2.3	Comparison of Cost and Benefits of Different Compost Plant	50
5.1.3	Problems face/ faced by Compost Plants	50
5.1.3.2	<i>Willingness and Attitude of LAs towards Composting Practices</i>	50
5.1.3.3	<i>Poor Institutional Capabilities</i>	51
5.1.3.4	<i>Poor Private Public Partnership</i>	51
5.1.3.5	<i>Social Acceptability</i>	51
5.1.3.6	<i>Political Influences</i>	51
5.1.3.7	<i>Quality of the Compost Products</i>	52
5.1.3.8	<i>Poor Marketing Capabilities</i>	52
5.1.4.9	<i>Lack of awareness among public</i>	52
5.2	Data analysis of Local Authorities	53
5.2.1	The Context of Local Authorities	53
5.2.2	Financing Mechanism of MSWM Services	54
5.2.2.1	<b><i>Financing of Local Authorities</i></b>	54
5.2.2.1	<i>The Analysis of Revenues of Local Authorities</i>	58
5.2.2.2	<i>The Analysis of Expenditure of LAs and Financial Allocation for the SWM Services</i>	58



5.2.2.3	<i>The Analysis of Revenues and Expenditure of LAs reference to SWM</i>	60
5.2.2.4	<i>The Analysis of Financial Allocation among Different SWM Activities</i>	61
	<b>CHAPTER SIX</b>	65
6	<b>Conclusions &amp; Policy Implications</b>	65
	<b>REFERENCES</b>	75
	<b>ANNEXURE</b>	
	<i>Annex 1</i>	
	<i>Annex 2</i>	



# LIST OF TABLES

2.1.2.1	Composition of Solid Wastes Collected in Sri Lanka	10
2.1.2.2	Composition of Solid Waste stream in Kandy and Matale	11
2.1.4.1	Prices of Post Consumed Recyclable Items	13
4.1	Data Collection Methods adapted in this Research	32
5.1.1.1	Compost Plants in the Western Province	40
5.1.1.2	Basic information of compost Plants Studied	41
5.1.1.3	Technical Information and Capital costs of Compost Plants	43
5.1.2.1.1.1	Financial Cost Benefit analysis of Colombo Compost Plant	44
5.1.2.1.1.2	Major Cost Components of the Operational & Maintenance Cost	45
5.1.2.1.1.3	Income from Compost Sales as a Percentage of Total Cost	45
5.1.2.1.1.4	Unit Cost of Compost	45
5.1.2.2.1.1	Financial Cost Benefit analysis of Colombo Compost Plant	47
5.1.2.2.1.2	Major Cost Components of the Operational & Maintenance Cost	48
5.1.2.2.1.3	Income from Compost Sales as a Percentage of Total Cost	48
5.1.2.2.1.4	Unit Cost of Compost	48
5.2.2.1.1	Revenue gained from assessment taxes/rates as a Percentage of Total Revenue	55
5.2.2.1.2	Municipal Revenue & the Contribution of Assessment Taxes/ rates-	56
5.2.2.2.1	Annual Expenditure for different Municipal Councils	58
5.2.2.2.2	Annual Expenditure of Urban Councils	59
5.2.2.2.3	Annual Expenditure of PSs	59
5.2.2.3.1	The Comparison of Revenues and Expenditure of MCs and UCs	60
5.2.2.4.1	Financial Allocations among Waste Collection and Disposal of Different LAs	62
5.2.2.4.2	Cost components in SWM budget	63
5.2.2.4.3	Summary of MSW Data on different LAs	64

# LIST OF FIGURES

2.1.1.1	Waste Collection in Different Provinces in Sri Lanka	9
2.1.1.2	Waste Collection in the Different Districts of Western Province	9
3.4.2	Framework of Integrated Sustainable Waste Management	28
4.1	Stakeholder of a Compost Facility	31
5.2.1	Contextual Background of a Local Authority	53



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